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# DEVELOPING ISLAMIC ECONOMIC PRODUCTION

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## Abstract

There are rules, manners, behaviours or arrangements in Islam in respect to production. Some Muslims and Islamic economic agents have been practicing such rules and regulations. Lack of primary needs for production as food has threatened the world, especially the underdeveloped and the developing countries in which most Muslims live. Shortages of food may cause unstable life. Muslims, Islamic economists and leaders have to consider economic (production) problems if they do not want to be the victim of world non-Muslim economic domination. Muslims must not be consumer or just be a sale agent of the products of others but must select and develop appropriate technology suitable with their human and natural potentials. Agricultural Industry is suitable for Indonesia; it is supported with her natural potential. Our Prophet encouraged us to cultivate idle land (*ihya al-mawat*) to grow crops for foods.

**Keywords:** Appropriate, domination, potential, rules, shortage.

## A. Introduction

We believe that Islam is not simply a religious faith but is also a political, social and economic system for a society. That is what is intended by the phrases that describe Islam as a religion, as a code of life, as faith and as sharia. Islam was not revealed to man for spiritual guidance only, as were other religions which advocate the principle of secularism. Instead, Islam comes in order to organise man's life in all its aspects.

Food production may consist of the process of land cultivation or agricultural activities consisting of rearing livestock (cattle, sheep, goat, chicken etc), fishing and cultivating food crops. These activities are primary production. Humans may practice such activities on land, provided by Almighty Allah subhanahu wata'ala who has created the earth from the initiation (very hot and uncultivable globe) to the cultivable land as described in the Qur'anic verse 25 of chapter al-Abasa.

The economics of food involving food marketing, food production and personal and commercial food utilisation should be learnt by Muslims. Islam sets self-interest and social interest as important objectives. Everybody is further encouraged to utilise his or her potential of productive work as a religious compulsion. Therefore, the access to employment is every body's right and its product is appreciated and preserved. Every deserving person has to say "no" to the right to get the social allowances or charity alms. Rather he has to earn his livelihood for fulfilling his needs. Islam orders us to be self-reliant. It is the essence of order to spend out or to pay Zakah or to give charity to the poor, as the saying of Prophet Muhammad (S.A.W.) goes: "to give is better than to receive".

These Islamic doctrines encourage Muslims to produce any valuable production to meet the requirement of living from primary needs to luxuries. In addition, in order to maintain the dignity of Islam as it has ever been in the middle centuries when Islam was in its golden ages. Muslims have to develop science and technology as the prerequisite for establishing the so-called strategic industries (advanced equipment both for homes tools and dependent utilities, as strategic transportation and military equipment). In this respect, every country has to make her own priority steps based on the realities of human resources, its natural economic potential and its

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condition and situation of political and national security. Generally, fundamental economics of people and primary production (as food and shelter facilities) must first be strengthened before taking steps to the strategic industry.

We understand the reason of some countries developing simultaneously the primary needs production and the strategic industry all at once. In this case, we analyse Pakistan's conditions. She has successfully developed the strategic industry for self-dependence and national security as the situation in border demands. While in the primary production, Pakistan is still facing the problem of food insecurity in a certain province as Khalil and Yousaf (2012) stated that the province of Baluchistan is the most poorly-developed and a food insecure region in Pakistan and needs additional supply and help from World Food Program.

**B. Natural Sources for Economic Bases**

An aspect relating to sustaining and maintaining the existence of life of organism or living creatures is metabolism, which is characteristic for life. Since organisms require energy for maintaining their life. Autotrophs are self-producing energy organisms e.g. vegetation. They produce energy through photosynthesis the natural process of forming glucose or starch out of $CO_2$ and $H_2O$ inside chlorophyll in the presence of sun light.

The formation of fire as stated in the verse of energy (Sayed Quthb and Quresh Shihab) is clearer since the finding of the formulation in photosynthetic process. The simple equation is as follows:

$6CO_2 + 6H_2O \rightarrow C_6H_{12}O_6 + 6O_2 + \text{energy}$

The extraordinary energy derived from chlorophyll or green tree is the result of an extremely complex process involving many coordinated biochemical reactions. Shortly, photosynthesis is the process of synthesis of glucose from $CO_2H_2O$ in the presence of sunlight, taking place in chlorophyll and gives out $O_2$ as waste product. Chlorophyll plays a dominant role as the captivator in the so-called light dependent reaction. This pigment, chlorophyll, absorbs light in the light dependent stage whilst in the light independent or dark reaction, $CO_2$ is captured from the atmosphere and in a complex process, releases a 3-carbon sugar, which is later combined to form glucose $C_6H_{12}O_6$. Simply, photosynthesis may be defined as the conversion of light-energy into chemicals by living organism (*Syajarul akhdlar*/green plant). *Syajaru al-akhdlar* in green organism as stated in the verse are primary producers in the food chain supplying food (energy) for animal feeding on vegetation (herbivores). In turn, the herbivores turn into food for predators which feed on meat (carnivores). This is a part of the nitrogen cycle that keeps the ecosphere in balance, including the equilibrium of gas components in the atmosphere (Subandi, 2008).

Moreover, heterotrophs, which maintain their life depending on feeding on other organic organisms, are in three groups: (i) the herbivore, (ii) the carnivore, and (iii) the omnivore. Humans are to omnivores. We consume vegetation for carbohydrate and minerals, fat for energy and consume meat or flesh for protein and fat. Humans cannot survive without the input of organic food. Therefore, human have to produce food for end-needs.

Following the splitting of the heaven and the earth (the big bang) as is described in the verse 30 chapter Al-Anbiya:

> "Do not the Unbelievers see that the heavens and the earth were joined together (as one unit of creation), before we clove them asunder? We made from water every living thing. Will they not then believe?" (Al-Hilali and Khan, 1404 H).

In fact, in all chemical reactions, energy is either produced or required. The above verse says that firstly, the heaven and the earth were one matter. A great energy was sparked when it happened to be clove as under. (Subandi, 2008. pp. 46-47).

Chapter Al-Abasa, verse 25 says:

> "We pour forth water in abundance". (Al-Hilali and Khan, 1404 H).

It is interpreted that the process of heat decreasing was accelerated. The poured water meant in the verse 25 of al-Abasa was not water of rainfall precipitation, as we know falls from the sky. When Allah (SWT) shows the function of rainfall, it is mostly described with the verb *anzala* means sending down as in chapter al-Mu'minun verse 18.

Shihab (2007) quoted some scientists that the temperature of the newly split earth was about

$12{,}000^0$C, that all chemical elements were free due to the high heat.

In the beginning of formation of the earth, water was poured and not sent down. It means that Allah would cool the earth down. Sayyid Quthub's interpretation on this pouring water is that the water was at first resisted by high degree of heat on the atmosphere. No water could approach the surface of the earth. Molecule of water ($H_2O$) was broken down by high temperature of the atmosphere into free elements of hydrogen and oxygen. Boiling point of water is just $100^0$C, while the temperature of the earth was much higher ($12.000^o$C) owing to the newly splitting substance producing great energy by exothermic reaction).

Water was poured and the earth's surface released and lost its heat finally when the water reached the surface of the earth and resided somewhere on the surface in the ground as liquid and on the atmosphere as gas. Therefore, by means of water, the hot earth was cooled.

After the earth has been cooled, water placed in the basins as lakes, rivers and oceans. Water flowing over and beneath the earth is a key component of the cycling biogeochemical. The role of water is very important in life and the survival of the earth depends on the existence of this material (Subandi, 2012).

Rainfall splashes over the outermost of earth crust and gradually breaks the soil particles causing sheet erosion. Runoff erodes the surface forming rill erosion and further deepens the rill to form gully as if the ground is clove. By means of water, the crust of the earth has been split into fragments. This natural occurrence is in accordance with the verse 26 of Al-Abasa chapter

> "And We split the earth in fragments. And cause the grain to grow therein".

Water is the initial agent in earth evolution. Allah preceded the formation of the crust of the earth by splitting it. Chemically, water is a good solvent and physically was the only material in contact with the earth. Fragmentation of the earth into smaller particles was by water. Water as physical entity erodes the crust of the earth through erosion and as chemical substance decomposes the earth through the decomposition process. The crust of earth was broken down into soil particles smaller and smaller in size leading to form soil fractions. Fraction of soil are sand (particle size 2 mm-50μ), silt (particle size50 μ-2 μ) and clay (particle size < 2 μ) (Subandi, 2008). Soil texture refers to the amount of sand, silt and clay in a soil sample. The distribution of particle size determines the soil texture.

A good soil texture is a balanced composition of soil fractions enabling the growth and development of plant roots. Then, after the earth was formed suitable for cultivation, Allah grows seeds therein. Allah prepares the earth for His creatures in perfect condition, enabling to grow plants and vegetation. In the agricultural or biological viewpoint, vegetation is the first chain of life cycle. Vegetation supplies food for human and herbivorous animal which in turn will supply meat for human or be the prey of carnivorous animal. However, this life cycle depends on water. Not all of these living organisms will survive if water became rare.

**C. Economics**

There were several events worth noting in relation to the teaching of Islamic economics. As a wealthy country supported with petroleum export, Kingdom of Saudi Arabia acted as pioneer in establishing economics education. The first leading university which introduced Islamic Economics as an academic discipline is Al-Azhar University in 2008. Islamic Economics was delivered in two faculties in 1961. In the bachelor program which is in the Faculty of Commerce, students study economics containing a curriculum of the four levels, while student find the Islamic Economics in the curriculum of legal politics in the graduate program.

It is noted that the first world conference on Islamic Economics was convened by the Kingdom of Saudi Arabia, organised by King Abdelaziz University in Holy Mecca on February 1976. That conference has led to the creation of the world Centre for Research on Islamic Economics. The first World Conference on Fiqh, which was organised by Imam Mohamed Ibn Saoud University, held in Riyadh on November 1976, has led to the establishment of a department of Islamic Economics in the Sharia Faculty. Later this department became a separate Faculty of Islamic Economics (Teaching Islamic Economics, 2008).

In the post second world war that coincided with cold war era between the so called East block alien led by the former Soviet Union (USSR) and the west block led by the USA, the third world countries in Asia, Africa and Latin America belonging to almost all of the Muslim countries were trying to develop their economic aspects. The adoption of Islamic Economy as an academic subject matter in university is quite late when it is compared to the existence of Islamic economy as the way of Muslim life which is as old as Islam itself. This is supported with evidence from activities of our prophet, Muhammad PBUH (peace be upon him), who worked for his first client Khadijah to trade goods to Syria. The prophet practiced good business attitudes and he taught Muslim how to do well, just and accountable economic business.

Now, there is a trend of growing interest of those having the curiosity to study how Muslims have to practice Islamic economy. It is a pleasure for us to see such development and we have hope that it will mark as a good commencement. When an education institution is set, I think the writer meant "focused on the Sharia economy, it will attract interested students and will consequently generate the Islamic economy and in turn, they will make efforts to seek for the solution of ending the poverty problem in the Islamic countries.

As the theory of the innovation of technology goes, technology sometimes may be based on scientific theory and sometimes science is derived from technology. The establishment of economic agent as banks based on Islamic economics may occur in advance. Then, the theories are found and developed from the facts in practice as empirical findings.

There is a growing interest of Muslims to revert their businesses practices and their daily economic activities according to the guidance of Islam. There are not only Muslim-chaired economic agents and banks which arrange Islamic background scheme of services to obtain the benefit of business. However, for us as Muslims have no doubt in faith and soundness of belief, applying Islamic Economics is an obligation.

Almost all of our life activities involve economic aspects. The judgment by *ijtihad* made by the ancient Islamic leaders and theologists are of great importance, but these judgments were formulated in a period and in condition which are not ours and on the problems which are not ours, too. Today, we are called upon to make serious efforts as the old theologists did in the medieval age in order to reveal Islamic judgment on the new financial transactions and economic problems.

Economics may deal not only with the questions of interest (Riba) and the prohibiting of banking interest, insurance companies and traditional banking transactions but with the complete economic aspects, including the production aspects. Economics must involve the dynamic production. There will be no market when there is no product and there will be no transaction when there is no market. To produce, there must be a production process. Therefore, such a procedure in the economic system must include the production sub-system, and, in the subsequent economics theories, a draft of production theories dealing with dynamics and a challenging subject matter to be studied.

## D. Islamic Economic Production

The word production means process of producing and to produce in this relation is defined as to manufacture, to construct, to make, to grow or to create. In this world, whatever that is done is just assembling of existing components or changing its form or its chemical elements or compounds. To create (*khalaqa*) something new is the will or the deed of the Almighty God, what man does is just (*ja'ala*) to make, to change or to assemble. Even, not all *ja'ala* can be conducted by man. For instance, man cannot make blood out of food nutrition and cannot convert the sperm into clot-bone-flesh in the processes of human embryo. That is why man finds science or technology and does not create them. Muslims are encouraged to produce and prohibited to destruct.

The productive inputs (factors of production) are the resources employed to produce goods and services. Factors of production are labour, land, capital and entrepreneurship. Capitalistic economists mentioned the components of product, which are measured as the component parts of price as:

1. Land or natural resources (water, air, soil, flora and fauna which are used in preparation of products).

2. Labour is human effort which is used in production including technical and marketing expertise.
3. Capital: all goods which are used in production of other goods. These include machinery, tools and buildings. Classical economists employ the term in reference to money and gold also.
4. Other factors of production developed by the experts are management, technology, and raw material.

Land is medium for growing plants and keeping animals alive. Prophet Muhammad successfully encouraged his companions to cultivate idle land (*ihya al-mawat*) to yield crops for foods. Labour as factor in production was detailed by Ibn Khaldun and other Islamic scholars. Personal development and maintaining personnel prosperity are already managed a long time ago (Effendi, 2003).

Normally, capital means investment in goods that can produce other goods. It can also refer to machines, roads, factories, schools and the like in which human produces goods and services. Investment is important if the economy is to achieve as much as possible growth and profit in a certain period or in a cycle process of production. The capitalistic goal is simply to achieve as much profit as possible while Islamic producer will consider value-based production. In all his action and transactions of economic production, there are three principle values:

a. Proportional or *al-Tawazun* (to be not stingy and not wasteful or extravagant);
b. Justice or *al-Aadalah* (fair, correct and just behaviour); and
c. Ownership or *al-Milkiyyah* (legal utility of possession). (Wahab and Husen, 2000).

In order to ensure the individual and social interests, Islamic economic system lay a basic theory of the Islamic economic justice (*al-'Adalah al-Iqtishadiyah*), Social Assurance (*at-Takaful al-Ijtima'i*), and the efficiency of the economic resources utilities (*fa'aliyah al-tsarwah al-iqtishadiyah*). (Effendi, 2003).

As a matter of fact, production process is an industrious activity producing certain goods. Kinds and characteristic of goods, which are produced, should be according to Islamic values and the activities may not deteriorate the quality of environment such as air, water, space, sound etc. To ensure that the activity is conducted properly, Islam sets the principle of production as:

1. Never producing the *haram* product or forbidden from viewpoint of Islam, e.g. foods.

   The unlawful or *haram* foods are:

   a. Pork and its by-products.
   b. Alcohol.
   c. Meat of dead animals.
   d. Animals slaughtered in a name other than Allah (SWT).
   e. Blood.
   f. Intoxicating drugs.

   In this respect Allah says in *surah* al-Baqarah verse 173.

   "He has forbidden you only the dead animals, and blood, and the flesh of swine, and that which is slaughtered as a sacrifice for other Allah (or has been slaughtered for idols, on which Allah's Name has not been mentioned while slaughtering). But if one is forced by necessity without willful disobedience nor transgressing due limits, then there is no sin on him. Truly, Allah is Oft-Forgiving, Most Merciful."

2. Never making destruction on the earth, and maintain the quality of ecology conducive for human and other creatures to survive

The objectives of an enterprise, a corporation based according to Siddiqi (1979), or individual dealing with production are:

1. To fulfill the need of individual properly
2. To meet the need of the family
3. To provide for the coming generation
4. To sustain the resource for the offspring
5. To prepare a supply for helping others

Ibn Khaldun and other theologists categorised human needs into three degrees viz. primary need (*dlaruriyah*), secondary need (*haajiah*) and tertiary need (tahsiniah).

Some opinions of theologists tend to decide that the fulfillment of the primary needs is an obligation essentially to be performed by each individual or the obligation of the government. The government has the obligation to ensure the fulfillment of the primary needs for its people.

## E. Appropriate Industry

Mostly, Islamic countries are developing countries whereas some are just struggling with their status as underdeveloped. Demographic distributions are scattered around the equator and subtropical region. They have wealthy natural resources from potential biological tropical forests to fuel-fossil desert regions. A wise national consideration of which kind of industry to develop is a very important consideration.

The case in Indonesia, in developing the strategic industries (the aircraft industry) is a good example to study. In this case, the consideration of choosing the strategic industry was seemingly influenced by a national leader and not by consideration of scientists, politicians or technocrats. Indonesia is an agricultural country in potential; both natural and human resources alongwith other inputs were required to reach high technological levels.

Evidence reveals that the aircraft industry was not based on national human resources available. The management of the aircraft industry (led by the then Minister of Research and Technology) had to send many scholars who worked in the aircraft factories to study or to take courses in aircraft industries in Europe. It was insisted that the aircraft industry be established, even though the available human resource did not support such insistence. The supporting industries for the production of aircraft were not prepared at home; almost all the components of the industry were imported. The policy of the state-man in the industry was influencing the policy of national education and also the manner and attitude of general people. Educational institutes and educators were focused more towards high-tech and advanced industries, neglecting agricultural and other fundamental industries. This created a shortage of students in Agricultural Senior High Schools, coupled by little appreciation for work in rural and agricultural areas. Rural inhabitants went to cities and towns to seek urban jobs. Self-sufficiency in rice production obtained previously in 1984 was not sustained. As a result, Indonesia has to import rice from Vietnam or Thailand to meet the national consumption need. It also had to import many agricultural products as corn for livestock feed and soyabean for traditional food industry. The situation was ironic since Indonesia is a country blessed with natural resources for primary industries.

Due to lack of many supporting factors, the aircraft factory was bankrupt in 1997 as Indonesia was hit with economic turmoil. No foreign currency was available to import components. The economic turmoil also hit other import-based raw material industries such as electrical, automotive and textile industries. Indonesia has to import cotton for the textile factories. No high-tech industry products could be exported. No national income from the high-tech industries were collected to save the nation from the bankruptcy of economy.

The only national sector of industry which survived at that period was the agricultural sector. Indonesia was still exporting rubber, tea, coffee, coconut, palm oil product and spices. From that bitter experience, Indonesia learned that the appropriate sector of industries should be chosen based upon many considerations.

### Character or quality of science and technology possessed by the people and supporting consideration of natural resources

We can recognise that humans will undertake a number of actions to maintain their life. The actions may range from the buying food, taking ownership of property, selling goods and services, investment, taking loans, cultivation of land (agriculture), harvesting of forest sources, extraction of natural sources (mining), taking up employment or giving work, setting up a company, importing and exporting, introducing goods etc.

All of the life activities can be categorised into two kinds: economic science and economic system. Economic science deals with the method of producing of goods and services, while the economic system deals with the manner of their distribution.

Production of goods and services follow no particular viewpoint in life. On this opinion, the capitalist, socialist and Islamic scholar hold a universal consensus. Economic laws say that inflation occurs when there is too much money chasing too little goods. This law does not change whether in economic community of Jew or Muslim just like the laws of physics; nature is no different to the fact of wood burns in Canada, in Australia or in Sumatra Island, the fire will burn

the woods when there is light shining on dried shrubs.

This means that there is agreement on the production or manufacturing, irrespective of location or belief of community. However, this opinion is debatable and we may opine that in the production stage, it will, of course, relate or involve with other parties which asks the involvement of the system in which we have to consider the manner of production that is in accordance with the principles of Islam.

A simple example is in increasing egg production of a certain strain or race of layer chicken. A poultry breeder or farmer may formulate poultry feed containing nutrient promoting egg production which enables the chicken to produce more eggs. Scientifically, factors influencing the chicken to lay eggs are the factors of nutrient containing in the feed and the efficiency of energy utilisation or the metabolism within the chicken body. Therefore, the input of feed is correlated with the energy used by the chicken for the activity or movement of its body inside its narrow hall or the portal. The smaller its cage (the less movement of the chicken body), the smaller energy is lost, that enables the energy within the chicken body to be accumulated for the formation of eggs. By that limitation of chicken body movement, the production of egg can be increased but such a treatment to the chicken is not humanist. Such a technology is violating the essence of Islamic thought.

Another example of the application of Islamic law illustrating more effective and economical gain but by neglecting norms is pest eradication with pesticide treatment. Spraying insecticide on a population of insect pest of a crop with a higher degree of the $LD_{50}$ (lethal dosage) such as with chemical DDT or Endrin is considered an unwise curative measure. In this case, measures taken to enhance production must be efficient and should not cause wider damage ecologically. DDT and Endrin are chemicals that are highly poisonous and persistent in nature causing residual effect dangerous to human and animal.

It is true that Prophet Muhammad (SAW) said “You are more capable of doing your daily activity relating to a specific vocation”. However, in performing an activity the manners of the action have to be morally wise and honorable and for Muslims, have to be tuned with the essence of Islamic taught. Both in science or technology and in system of economy, Islamic thoughts have to be the principle on all considerations.

Beliefs, religions or ideologies interfere in system of economy; in distribution of resources; in how goods and services should be given to the public; in the manner that defines how to distribute the wealth, how to possess it and how to spend or dispose and in how to give employment it. Islam has a principle and arrangement for the economic and the social lives. The writer shall not delve in to details and instead, would like to present a glance food economy in Indonesia.

Farmer or those living on agriculture sector (agricultural industry) produce food. Food is one of the principle needs for people. In most of Asian and African people, rice is the staple food. Developed, advanced or industrial countries have no problem with food but it becomes a great problem for developing or underdeveloped countries, with many of them in Asia, Africa and in central and South America. Riots and disorder in communities even often happen, as food becomes shortage. In Haiti, the Prime Minister was dismissed after food riot. Less publicised food riots happened in Egypt. The miserable pictures and reports from Africa show how people fight over the food distributed by United Nations officers or the missionaries and Jesuits.

Indonesia is vulnerable to a drop in rice production and has a little rice reserve. The government has paid little attention to agriculture hence agricultural production is not keeping pace with demand. Indonesia imports many kinds of agricultural products to meet domestic demands.

This analysis is justified with the banned rice export by the government. The traders, who wanted to get more profit out of the export, initiated the discourse of rice exporting. In the beginning first half of 2012, the export of rice was almost supported by the Minister of Commerce. Fortunately, the ministry of agriculture did not support the idea and rejected the Commerce Minister’s opinion since the price of rice in the international market was higher than the domestic market, which is where higher profits from export were generated. However, when Indonesian Government had to import rice,

the government had to spend for subsidy price to keep the price as set as rice for the people in domestic market.

The intention of some Indonesian traders to place their hands in rice export in the unstable rice harvest condition was nonchalant behaviour.

The rice traders who wanted to export Indonesian rice were economic agents who did were not responsible for national food security Since they wanted to gain commercial margin without taking into consideration of the availability of food supply for their nation. They thought the tonnage of rice just in time of harvest and of several weeks afterwards. This consideration is contrary to the reasons in the head of an agriculturist. A farmer will think that the harvest is done only, at the soonest, every 4 months. A farmer may take decision to sell his food stock when there is reserve for more than the period of planting. We remember the policy of Prophet Yusuf (A.S.) in facing an incoming drought as described in the Surah Yusuf verse 4.

Prophet Yusuf had taught us how to stock food for such a difficult time suggesting to eat a little of the harvest so that more harvested crops can be put for reserves in the ear so that the grains can stay edible for longer period of time.

Yusuf said: "For seven consecutive years, you shall sow as usual and that (the harvest) which you reap you shall leave it in the ears, (all) except a little of it which you may eat." The prediction or the teaching of prophet Yusuf was visionary and modern from a technological viewpoint. In the principle of post-harvest technology, storing in the form of husked paddy will preserve quality for a longer period, as compared to storing it in the form of unhusked (polished) rice. Prophet Yusuf was famous as a Treasurer and we have to take the example.

Subandi (2012) stated that there are many efforts to add to the supply of food through agronomical and non-agronomical operations. Still, there is a concern that Indonesian food stock is so insecure for feeding its people due to unproductive and inefficient agricultural practices. Many problems in farm production supply make it difficult for farmers to increase their production.

Low production of land may also be caused by the less education standards of the most farmers. In 1984, Indonesia achieved rice self-sufficiency which was the result of the then serious efforts of the government to develop agricultural sector. More agricultural extension workers were recruited to help farmers to cultivate their land in measuring fertiliser needs, planning planting schedules, etc. The keen attention of the government in agriculture was shifted to the unsuccessful high technological industry. The shifting attention to the industry sector made narrowing arable area. These factors make it difficult for Indonesia to increase its food stock. The food reserve for secured supply is stocked for 90 to 100 days of consumption. This duration is the same with a season of paddy cultivation. Now, Indonesia has rice stock of 350.000 tonnes, which should have been 1 million tonnes. An ample supply of food owned by the government ensures the stability of nations. However, the supply should be accessible to the whole people.

The links of the food resilience are illustrated in Fig. 1. below, (Fatah, 2008).


**Fig. 1. Links of food resilience.**

The increase of food price places burden for the food importing countries. For such countries, development of other sectors is difficult because their funds are used up to import food.

Most countries in Asia and Africa face the same problem in food stock. Unfortunately, most of them are countries where Muslims are the predominant population. Leading exporters are China, Thailand, Vietnam, The United States, India and Pakistan. The United States does not produce a lot of rice but since local consumption of rice in the USA is low, exporting half of its output has given it such a status amongst major exporting countries. Indonesia imports rice along with Brazil, Iraq, Bangladesh and the Arab world. African countries are also major consumers.

Even if we get over the present crisis, future crisis are likely to be much more severe. Expensive food or severe food shortages will topple governments; unrests will follow and the life of the religious may be shaken:

اَلْكُفْرَ مِثْبِكَأَعُوذُإِنِّيااللَّهُمَّيَقُولَكَانَأَنَّهُوَسَلَّمَعَلَيْهااللَّهُصَلَّىاللَّهِرَسُولِ

نَعَمْقَالُوَيَعْدِلُانِرَجُلٌفَقَالُوَالْفَقْرَ

The world crisis of food will, in general, impact the economy of many countries. The lack of food supply is the result of dual standard of world political policy of the United Nations, which is sponsored by the USA. As we all noted, the US president suggested in his speech in Bogor some years ago during his visit to Indonesia to derive energy out of any vegetative sources such as corn, sugarcane, cassava or even crude palm oil. All of these vegetations are food for human consumption. Why did he not suggest producing energy from nuclear resources? Food should only be used to fulfill basic human needs, not for converting to bio-fuel (Abdoil, 2008).

Actually, in the essence, the suggestion of conversion food to fuel is dangerous policy for the survival of human kind. This thought is delivered for strengthening their (American) global political and military domination. By converting vegetative resources, which are staple foods in many developing and under developed countries, one is promoting the end objective of starving the people in many countries.

Economic turmoil might be initiated from the fading attention of the leaders to the problem of food. Many countries including Indonesia fell into the trap of industrialisation and, as a result, are dependent on foreign direct investment and infrastructure renewal as a prerequisite; the industry is funded with foreign loans in the last two decades causing foreign debts, ignoring food grain production.

Such leaders, including Indonesian, believe that with a mountain of cash at hand, they can buy food anywhere. That thought turn out to be a mirage as food surpluses have disappeared all over the world and they can do nothing with their reserve. The dents of people are waiting for something to bite.

Such is the problem of the development sectors which has been adopted since the mid 1980s. Since then, the development on Indonesian economy has concentrated on industry and let the agriculture sector take a back seat. In 1997, Indonesia harvested the false choice and economic turmoil occurred resulting in a burden of foreign debt. Lack of foreign currencies for importing spare parts and raw material made industries almost collapsed. The export of industrial product stopped, factories dismissed their managements and discharged or unemployed their labourers. Textile industries were unable to import raw material from the USA and aircraft industry stopped their assembling activities and not a dollar was received from the industrial sector.

In such an emergency situation, Indonesia still received foreign currency from the export of traditional production of agriculture sub-sectors of industrial plants such as tea, rubber, tobacco, palm oil, cocoa, spices as nutmeg and clove, etc. Indonesia is traditional and potential agricultural nation. Why should Indonesia look like the Arabia and go to the choice of traders? Arabian countries have a limited fertile land to induce high productivity in agriculture. United States and France developed their industries after they succeeded in stabilising their agricultural industry and they have not cast aside agriculture to develop other industries. They are exporters of high-tech products agricultural products. Agricultural industry is most suitable for Indonesia. It is supported with our natural potentials.

Muslims in the world have to criticise the current situation, to develop economic theories and to choose properly the sector suitable for every country based on her basic economic potential. Jordan is, of course, different from Indonesian. However, Bangladesh or South Thailand may be developed on the same pattern of economic potential with Indonesia. The current food crisis reflects not only financial events of recent years but also long-term policies of world imperialism. Instead of allowing for a planned improvement of infrastructure and farming techniques, globalisation on a capitalist basis has resulted in a restriction in many parts of the world of farm production. This has been carried out in order to lessen competition and prevent market gluts from harming the profit interest of the major powers.

First of all, the basic needs of life have to be fulfilled. The basic needs consist of food, clothes and shelter (housing). Food and clothes are products of agriculture. People cannot postpone these needs. When we have managed these prerequisite requirements, we can proceed doing the next needs.

A collapse was experienced by Indonesian textile manufacturing when primary production was dependant on import. When we want to enhance agricultural productivity, then we need education to improve knowledge and skill of people working in agriculture field, especially the skill and schedule to apply fertilisers like manure, nitrogen, potash, phosphorus.

Another important knowledge is the knowledge of economics. Farmers must be able to count the cost of production to calculate the efficiency differences of using a tractor to plough their land, instead of a buffalo or bull or to be able to deal with capital agents (banks) when they run out of capital. In short, they will unavoidably relate with financial business.

Islamic economists should realise that agriculture is devastated by export surges from developed countries and by the program of the International Monetary Fund (IMF) which dictates state policy in change of loans, as agriculture was converted away from regulated subsistence farming and toward free-market cash crops produced for export. Muslim countries with huge population become open up as export destination of wealth countries product of farm.

We look in the days of hajj in the holy lands of Mecca and Medina, millions of Muslims consume bananas of American produce and other fruits imported from non-Muslim countries. Why do we not organise and arrange Muslim common market for our facility and benefit? In this consideration, Muslim will learn economics and the system of economics of our own Islamic Economy.

The best thing is we have to handle and control the chains of raw materials and also manufacturing and marketing as well. Most of Muslim countries are related with the extractive raw material industry such as mining, fishery catching, harvesting forests and agricultural products. Certainly, if all of Muslims manage these economic potentials through the Muslim Common Market scheme and other effective cooperation of economy, the wealth of Muslim natural resources will effectively enhance the strength of Ummah life. Inshya Allah.

## F. Conclusion

Production economics as branch of economics has been established in both Islamic economic structure and in the capitalist or socialist economic structures. Production may be the first activity to initiate the chain trades and economic transactions.

There are rules, manner, behaviours or arrangements in Islam in respects to production. Some Muslims and Islamic economic agents have been practicing its rules and regulations.

Lack of primary needs production as food has threatened the world, especially the under-developed and the developing countries in which most Muslims live. Shortages of foods may cause unstable life.

Muslim and Islamic economists and leaders have to consider economic (production) problems if they do not want to be the victim of world non-Muslim economic domination.

Muslims must not be consumer or just be a sale agent of the products of others but must select and develop appropriate technology suitable with their human and natural potentials. Agricultural Industry is suitable for Indonesia; it is supported with her natural potential. Our Prophet encouraged us to cultivate idle land (*ihya al-mawat*) to produce crops for foods.

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